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AGRICULTURAL MARKETING



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THE NEW LOOK IN POTATOES

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AGRICULTURAL MARKETING

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Cover Page

This Federal-State inspector is examining potatoes in one of the many processing plants under in-plant inspection, a voluntary service of C&MS' and State agencies.

ORVILLE L. FREEMAN
Secretary of Agriculture

S. R. SMITH, Administrator
Consumer and Marketing Service

Editor, James A. Horton



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Marketing Ills?

Try a Marketing Clinic!

Producers and marketers are applying the doctor's techniques to their problems. They pool the know-how of all elements of the marketing system to diagnose the ailment, prescribe the cure, and then begin the treatment—they can even call in specialists!

By S. R. Smith
Administrator, C&MS

GOT A MARKETING AILMENT? A marketing clinic may be the answer.

Clinics work out solutions to your business ills much like a doctor cures your physical ills—by diagnosing the problem, prescribing a cure, and treating the trouble. You can even call in specialists!

The marketing clinic is a kind of symposium aimed at solving a particular marketing problem. It joins producer and marketing interests, pools their information and know-how, along with the other available resources, to tackle the problem. Communication is the key to the cure.

The Matching Fund Program of the U.S. Department of Agriculture's Consumer and Marketing Service is particularly interested in these clinics since they both have the same objective—to oil the marketing machinery of the Nation's agriculture.

The clinic technique has been used on several occasions with success. For example, last year the C&MS Fruit and Vegetable Division assisted with one to get to the core of the California apple industry's marketing problems. The California Apple Growers Association, serving as sponsor, invited about 40 persons representing growers, fresh shippers, processors, bankers, extension workers, the California Department of Agriculture, and the University of California. Various panels presented the vital data to work from—background information on the industry, production trends, etc.—and outlined possible solutions to the problems facing the

California apple industry. Among the problems pointed out were increasing costs of production, decreasing per capita consumption, disorganized marketing techniques, and not enough research and development of new products.

At least part of these problems could be attributed to competition between the two major apple-producing communities in California—Sebastopol and Watsonville. During the clinic the parallel between their problems and the competition factor was pointed out.

As a partial remedy, a plan was outlined to use the Sebastopol co-op cannery facilities to process part of the Watsonville apple crop. It was suggested that by pooling their efforts, both communities would extend their processing seasons and benefit from the results. In line with this idea were other suggestions—to upgrade their product; to accelerate promotion and advertising; to intensify research into new uses; and to fully use bargaining associations and other cooperatives in the production areas.

Many problems, of course, were deep seated. They couldn't all be solved in one year. The marketing clinic, however, was the first step. It provided an excellent sounding board—a catalyst—to give focus and direction to their efforts.

One problem it can't solve, however, is the lack of continuity. Unfortunately changes are usually made only after failure or hard times. When things are going well the tendency is to "leave well enough alone." The California apple growers, coming off a poor 1964 season, were looking for solutions to their

problems and were receptive to changes. A good season this past year may take some of the edge off their enthusiasm for the clinic's recommendations and they could fall back into their old rut. But the secret to a dynamic organization is a willingness to make changes whenever they are needed and to recognize these needs before they actually appear, through careful observation of the industry and a watchful eye on its trends.

Many kinds of problems lend themselves to a clinical approach—it has helped grain, livestock, poultry, and dairy groups in addition to those sponsored by fruit and vegetable groups. Generally, the problems should be definable—you should be able to set boundaries to them. Usually it's best if some kinds of possible action suggest themselves, just to help bring focus to the discussion. On the other hand, a marketing clinic should not be viewed or used as a selling device for some pre-formulated plan. The key to a successful clinic is a genuine willingness among the participants to exchange information and ideas.

The clinic is not an easy solution to a difficult problem. To the contrary, a lot of effort and hard work is involved. But then, good solutions never come without hard work.

Producers, shippers, processors, and marketers must continually adjust to the problems that stem from our ever-growing agri-industry. The marketing clinic provides a forum for discussion of these problems to give all elements of the marketing system an opportunity to air their views and to reach a mutually satisfactory solution.

Produce Warehouses Can Cost Less to Operate

Forty fruit and vegetable wholesalers showed how more efficient produce-handling methods increase labor productivity and benefit farmers, wholesalers, workers, and consumers.

*By Arnold L. Lundquist
and John C. Bouma*

ARE YOUR PRODUCE warehouse operations as efficient as you would like? Do they give you a return commensurate with your time, investment, and the space used in your warehouse?

Better produce handling methods tested under commercial conditions in seven States by the U.S. Department of Agriculture could be profitably applied by many warehousemen in their own operations. Forty topnotch fruit and vegetable wholesalers increased their labor productivity from 10 to 26 percent when they adopted more efficient operating methods studied by marketing specialists in USDA's Agricultural Research Service.

Workers, consumers, and farmers all stand to benefit by more efficient marketing because it influences the price wholesalers can offer farmers, prices paid by consumers, and wages received by workers.

One way the 40 cooperating warehousemen increased efficiency was by taking retail orders by telephone instead of having salesmen travel to stores. A specially marked blackboard, called a checkboard, kept telephone order takers informed of current supplies, prices, and special promotions. The estimated sales expense for telephoned orders was only \$0.45 per order—as compared with \$1.75 when a traveling salesman took the order.

Firms with annual sales of less than

\$2.5 million and fewer than 200 customers could reduce selling costs by placing traveling salesmen in a warehouse office with a telephone, an inventory control sheet, and an ARS-designed order form.

The kind of equipment available in the warehouse partly determines how economically workers can assemble orders. For example, assembly of a 50-piece order (at a travel distance of 1,700 feet) costs about \$1.35 when workers used an electric tow tractor and two selector trucks. It would cost 13 percent more if workers assembled the same order with a manual pallet-jack, and 9 percent more if they used an electric pallet-jack.

Average order sizes also affect the cost of assembling orders. For example, electric tow tractors were found less expensive to operate than conveyors, when orders averaged 37 pieces or more. Conveyors would be more practical for smaller produce orders.

Order assembly costs can be further reduced if assembled orders are held inside the warehouse until there are enough orders for a tow tractor to pull several selector trucks at the same time to the loading dock. Schedules posted on slates near loading doors show the order selector where to leave each order on the dock. The schedule also alerts loaders to the loading sequence for the

orders, and helps the truck dispatcher coordinate loading operations.

Improvements in warehouse layouts can also reduce operating costs. Efficient layouts designed by marketing specialists incorporate drive-in pallet racks for maximum use of storage space, minimize travel distances for workers and equipment, and provide specific areas for fixed operations such as repacking and ripening operations.

An efficient repacking station can be designed to occupy less than 100 square feet of space in the warehouse. Finished orders can be placed on a rack for easy pickup by the order selector who follows a regular route. In one instance, marketing specialists designed a repacking layout that enabled workers in one firm to assemble repacked orders 2½ times as fast as before—an increase from 63 to 157 pieces per man-hour.

Air conditioning the entire warehouse so that both refrigerated and unrefrigerated produce can be assembled on the same order selection line would also help improve efficiency.

Reduced operating expenses achieved at the wholesale level through research should help to assure the consumer the lowest possible cost for fruits and vegetables of high quality.

(The authors are members of the Transportation and Facilities Research Division, ARS, stationed at Hyattsville, Md.)



A severe storm wrecked this automobile and these buildings, flooded the street . . .



. . . and left a lot of people homeless and hungry.

FACES OF DISASTER

ANY EMERGENCY CREATES a need for quick action. And an emergency caused by natural disaster usually necessitates feeding homeless victims who have no food or facilities to feed themselves.

Hurricane "Betsy" engendered such a crisis. And the U.S. Department of Agriculture's Consumer and Marketing Service set a record in responding—318,526 victims received some 820,452 meals at 105 feeding sites between September 9 and September 24, 1965. It supplied the 5½ million pounds of food needed to prepare these meals and to distribute directly to hungry victims—food valued at \$1,350,300!

But even small-scale emergencies can be devastating, and require quick relief.

Every day, illness, the necessity to relocate the home and family, loss of job, or some other unexpected event bring people to the brink of disaster.

An Omaha, Nebraska woman, for example, wrote her thanks to USDA: "... Ill health prevented me from working outside the home before. During the past year the donated foods helped us over a rough time. I was able to feed my family much bread, rolls, cookies, and soup from the commodities. Also the cheese was a tremendous boost for casseroles and sandwiches." (It should be

noted that the list of donated foods varies with the available surpluses. Cheese for example is not currently available.)

Incidentally, this letter of thanks was written after the family's somewhat improved finances made them ineligible for further food donations. They appreciated the fact that applicants had to be screened and cases reviewed from time to time—"the food should go to those most in need and we are thankful for the help we got when we needed it."

Also, from a food recipient in Oregon: "Thank you for the dept's (Department's) contribution to State Commodities. My husband, children and I have recently moved to Oregon and happily have found a whole new way of life and are making Oregon our home; however, like many here now, we faced new problems. The commodities were the helping hand we needed to make a difficult situation livable. We appreciate it and just wanted you to know . . ."

Examples of other emergencies relieved by USDA food donations include:

Some 600 fishermen hard hit by the failure of a salmon run, and an estimated 30,000 to 35,000 farm workers (and their families) idled by an unexpected freeze in southern Texas.

The fishermen lived in the Bristol Bay area of Alaska. They depended almost exclusively on the annual salmon run for their cash income and food. But this particular year, the run was unusually scanty, placing the 600 fishermen in physical and economic jeopardy with the possibility of starvation hanging over them.

To relieve this situation, an initial 21,000 pounds of USDA food were air-lifted to Bristol Bay. Some 16,000 pounds followed a few days later.

The 30,000 to 35,000 farm workers and their families faced almost complete loss of their jobs. The freeze destroyed nearly two-thirds of the grapefruit and orange crops. None were left for fresh markets, and hardly any for processing.

One affected county, a heavy shipper of vegetables before the freeze, saw its shipments dwindle from 40 carloads a day to two or less a day.

A packing plant that employed about 700 workers before the freeze had to shut down completely.

Emergency feeding in the affected Texas counties (utilizing USDA food) lasted at least 60 days. More than 11 carloads of food were delivered into the area to meet emergency needs and to replace food diverted from the regular distribution programs.

C&MS' Unsung Services

INSPECTION



GRADING

By Harold F. Breimyer

For its hearing on consumer interests the National Commission on Food Marketing asked the C&MS to testify as to its inspection, standardization and grading services. This article summarizes the statement presented.

OF ALL THE SERVICES the Federal and State governments provide to farm marketing, the ones the National Commission on Food Marketing tagged for special testimony were those of inspection, standardization, and grading.

This may seem surprising. Those activities hit the news occasionally but otherwise are taken for granted.

Indeed, the public thinks of food inspection for wholesomeness as a routine precaution performed by somber men in long white coats. And standardization and grading are just sorting big potatoes from the little ones. Or so people think.

The Food Commission's Concern

Why, then, did the Food Commission single out these services? It probably had two reasons in mind.

First, the Commission recognizes that consumers as a group are becoming more conscious of their power and more expressive of their interests. Consumers nowadays insist that their food be safe. They also want it to be of reliable quality.

And second, inspection, standardization, and grading are the kind of

services that improve the performance of the entire marketing system, in ways that do not always meet the consumer's eye in the food store. Moreover, they have the merit of not only improving efficiency in the trading process but also of putting all parties to the process on equal footing.

Purity and wholesomeness in foods

The U.S. Department of Agriculture shares principally with the Food and Drug Administration the responsibility for protecting the safety and sanitation of the Nation's food supply, including its freedom from harmful chemical residues.

USDA is charged by law with inspecting all meat and poultry moving in interstate trade. It offers a voluntary inspection service for most processing of other foods.

Inspection of meat and poultry and their products includes ante-mortem and post-mortem inspection of animals and of meat produced, plus assurance of sanitation in plants. Such products cannot be adulterated or mislabeled.

Although this inspection is a direct service to consumers, it also is market-building. Producers and market firms benefit when consumers learn to trust their product. Contrariwise, a loss of confidence can ruin the market for a product.

But inspection for purity and wholesomeness also fits the second reason the Commission had in mind. Uniform rules, applied uniformly and fairly, put all firms on an equal basis. The service

thereby improves the competitive quality of the market.

Both features—protection to consumers and equity among market firms—are involved in the one big deficiency in present meat and poultry inspection. It is the variable quality of inspection the States provide for their intrastate slaughter. Some State inspection is thorough, but some is not. The deficiency offers a hazard to consumers and disrupts the meat and poultry industries. Consumers object to having their protection be an accident of where geographers drew State boundary lines; and uninspected slaughterers can put inspected ones at a disadvantage in bidding for meat and poultry sales within a State.

Standardization and grading

Standardization and grading are a first cousin to sanitary inspection. They identify quality in foods, in the way sanitary inspection certifies purity.

Standardization is the choosing of language that defines product according to grade or quality classes. *Grading* is the actual physical sorting or classing of product according to standards.

Grade standards are drawn up by the Consumer and Marketing Service, in order to establish nation-wide uniformity. A few States establish standards of their own, although they usually only modify the Federal standard in some respect or other.

The grading service is provided only on request, and normally at the expense of the firm asking for it.

Grade standards have grown out of the needs in trading. They are generally designed for wholesale-level trading. Their overriding value is in providing a



common language, not only in face-to-face trading but in telephone-to-telephone transactions that may span the continent. Indeed, cross-country marketing would be, if not impossible, then exceedingly cumbersome if there were no standards of quality that had the same meaning at both ends of the journey.

Consumer standards

As grade standards were drawn up to serve wholesale trading, most do not fit the needs of consumers exactly. There are, however, special consumer grades for a few products. And for some products that reach consumers almost unchanged from their wholesale form, the wholesale standards may reflect consumer-quality criteria with considerable accuracy.

It follows that many more products are traded by grade at wholesale than are grade-labeled at retail. Among examples of food that often do carry the Federal grade shield at retail are beef, lamb, butter, poultry, and eggs. Often, consumer packages of such fresh fruits and vegetables as apples, peaches, peppers, potatoes, onions and carrots are labeled by grade. Several canned and frozen products such as french-fried potatoes and frozen concentrated orange juice show the shield bearing a grade name.

It is possible that as consumers express their interests more effectively, foods will be retailed by grade more frequently. On the other hand, the trend toward more highly processed, convenience type of foods can reduce the use of grades, because manufactured foods are unique to each firm producing them and therefore do not lend them-

selves so readily to standardization.

Grade Standards in the Market Structure

The greater importance of grade standards lies not in how they relate to consumers directly, but in how they affect the entire marketing system indirectly.

And insofar as they improve the working of the system, they benefit not only consumers but producers and market firms too.

Standardization and grading are essential to a decentralized, power-diffused system of farm markets that has long been the basic system in this country.

Standardization and grading contribute to competitiveness, efficiency, and equity in transactions at each stage in marketing. They also help to link the successive stages.

Those services enable all firms, big and small, to compete on equal terms. Federal grades for beef, for example, have made it possible for smaller packers to compete with national packers, despite the latter's advertised brands.

The services help trading stage by stage from farm to retail. They make it easier for farmers to negotiate with processors or wholesalers. Standards work best when they are consistent stage by stage, as beef carcass grades match slaughter steer grades and, to a degree, feeder steer grades. Likewise, some standards for fruits and vegetables for processing conform closely to those for the processed product.

Standards that are usable through successive market stages have the added value of reflecting quality premiums back to original producers, thereby

encouraging the production of a superior product.

When so used, standards reduce the attractiveness of agri-business integration. It becomes less necessary to control production through integration when quality can be assured through uniform grade standards, widely applied. And one of the best defensive measures farmers can take is to join as groups to achieve more exact control over the quality of products they market. The market demand insists on more precise definition of quality, and wider use of well chosen grade standards can plan a part in meeting that requirement within the context of a competitive marketing system.

Finally, grade standards as an agent of competitiveness in marketing—competitiveness according to price—are something of a counterweight to the many private standards and brand names. They do not replace them, but because they make an alternate system of trading available they tend to keep private labels within bounds—to make them more substantive in identifying products.

In short, inspection, standardization and grading services are beneficial to consumers, and their greatest worth may be in making the marketing system work better. The marketing system for food is infinitely complex. If it is to remain a decentralized, competitive, open-market system a framework of trade rules and services is necessary. Inspection, standardization and grading, as performed by State and Federal governments, are an integral part of such a system.

(The author is Staff Economist, Office of the Administrator, C&MS.)

The New Look In Potatoes



Potato storages are growing in capacity. They often have forced-air circulation and ventilation to help maintain quality. This metal storage building is located at a potato processing plant. For best storage, potatoes should be fairly free from soil, and held at constant temperature and humidity.



Labor-saving harvesters have come into wider use, especially where there are few stones and long level fields. Mechanized harvesting of potatoes requires great care to avoid excessive bruising and injury. Constant improvements in harvesters are also contributing to reduced crop damage.

After being pre-fried and quick frozen, french fries are packed and check-weighed. Filled consumer-size packages moving on this conveyor line will be sealed, labeled, and then placed in freezer storage before being shipped to markets. Packages may bear the shield-shaped U.S. grade and continuous inspection marks when french fries have been processed under the continuous in-plant inspection service.

A HOST OF POTATO products have made their debut on supermarket shelves—everything from potato puffs and flakes to french fries and precooked oven-ready baked potatoes in metal foil with the butter and spices already added.

For today's discriminating consumer, with less time to spend in the kitchen, these products offer variety and convenience in preparation.

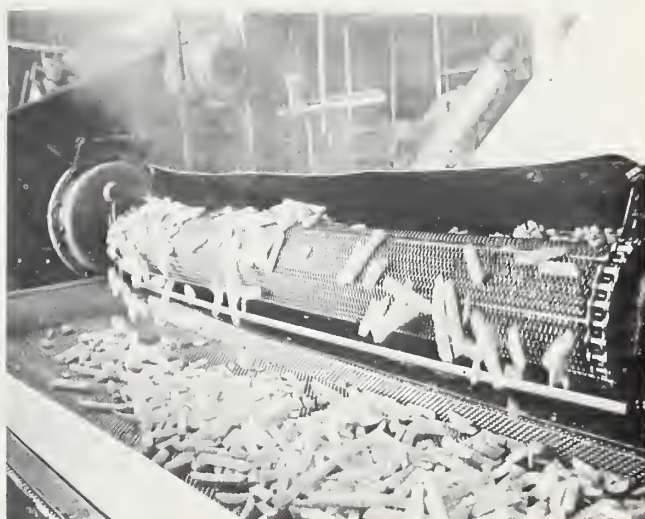
For the potato industry, they spell more market outlets for a crop, which, in 1965, was around 15 million tons.

About a third of the potato crop produced for food goes to processors today, compared to only 15 percent a decade ago.





As potatoes enter a processing plant, they are examined by a Federal-State inspector (left). With inspection equipment he checks them for external and internal defects, and size. A voluntary service of the U.S. Department of Agriculture's Consumer and Marketing Service and cooperating State agencies, inspection gives the processor who desires it an equitable basis for paying growers for potatoes. Processors also find inspection useful in deciding best product uses for particular lots. Potatoes to be processed into french fries (below) are thoroughly washed, peeled, cut into strips, blanched, and fried. Here, crinkle-cut style french fries emerge from cooker.



During the past decade, frozen potato products have become the most important frozen vegetable item. Within this period, the use of potatoes has jumped 50 percent in canned products, has doubled in the making of potato chips and shoestring potatoes, tripled in dehydrated products, and has increased five-fold in the making of french fries and other frozen products.

Along with the spiraling uses have come changes for the potato industry—many changes—in production, in marketing, and in the product itself, as some of these pictures illustrate.



Sharp eyes of employees (above) on french fry processing line detect dark, discolored, or objectionable strips. These are removed to assure a pack of uniform, desirable appearance. Federal inspector (left) examines french fry strips according to U.S. grade standards. Many of the Nation's processors of french fries operate under in-plant inspection—a voluntary service of USDA's Consumer and Marketing Service. In 1965, C&MS inspectors examined 550 million pounds of frozen french fries and other potato products.

Television Kindergarten Aids Growers and Consumers

The enthusiastic cast of children on TV's Romper Room entertains millions of youngsters and adults—and calls attention to farm products currently in plentiful supply.

AN OUTSTANDING example of how a public media can prove a bonanza to the Nation's food producers and industry is the popular TV Romper Room Kindergarten Program which originated in Baltimore a dozen years ago. Bert Claster and his wife, Nancy, realized that in young children lay a vast untapped audience eagerly awaiting the right educational program. And this is just what they have provided youngsters in many places of the world.

This TV program has given first-rate support for years to the Plentiful Foods Program of the U.S. Department of Agriculture's Consumer and Marketing Service.

Today this television kindergarten claims a viewer-enrollment of more than 7 million children and parents in more than 129 cities. It operates not only in the United States—on something like 85 stations across the country—but in Canada, England, Scotland and Northern Ireland, Australia, Japan, the Philippines, Brazil, Venezuela, Mexico, the Dominican Republic and Puerto Rico, to name a few farflung places. And the program has won coveted awards from many sources.

How is this TV Romper Room Program helping farmers and the food industry? It not only entertains millions of persons, grownups as well as children, but also calls attention to plentiful foods—those farm products which are currently presenting seasonal marketing problems.

From time to time this program has brought to the public's mind the abundant supplies of such everyday favorites as apples, milk and dairy products, eggs, broiler-fryers, turkeys, red tart cherries, and so on.

The original TV contact was made by USDA's food trades' representatives in Baltimore, where the program is still headquartered, and where responsibility for all aspects of production and direction is centered. And it is to Baltimore headquarters that all TV Romper Room teachers come for intensive instruction.

Today, USDA's food tradesmen work with local TV Romper Room teachers in adapting C&MS's Plentiful Foods tie-ins to the individual shows. These field men help to obtain appropriate materials, or "props" for these shows—such as animals, foods and other items to be used in presenting the program.

For instance, egg-hatching TV programs appear around Eastertime, along with egg-decorating instruction. Local poultry producers have even provided glass incubators, so that youngsters can watch chicks hatching before their eager eyes.

Around Thanksgiving, the program features live turkeys from nearby farms, and often they are shown strutting across the screen to the delight of the children. Often youngsters in the home audience are invited to draw and color their own pictures of turkeys, and send them in to their Romper Room Teachers.

Apple Week tie-ins feature locally grown apples for the children to eat. The industry provides fresh apples and other materials as attractive backdrops. Red tart cherries have been introduced on these programs, in taste-tempting cherry pies or tarts prepared by local bakeries. Dairy products are saluted during annual "June Dairy Month." Colorful posters and drawings and talks highlight the nutritious qualities of the various dairy products.

It all began in Baltimore. And these are but a few examples of television's role in bringing currently plentiful foods—which are often the most health-building—to the eyes of pre-school children and their parents.

Romper Room instructor and pupils help to promote apples during National Apple Week.



Quality Pack Makes a Difference in marketing sweet cherries

Sweet Cherry Marketing Order regulations which require high quality cherries in loose-packed containers have increased the profits of growers in Washington State.

*By Dee Smith and
William C. Knope*



Once avoided, this 20-pound loose-pack container today is a money-maker.

WHEN A BUYER OF Washington-grown sweet cherries wanted good quality fruit in the mid-1950's, he bought them in the expensive *double row-faced pack*, in 15-pound containers.

This pack was the sign of quality and uniformity. But it was expensive and slow to assemble. Row-faced cherries had to be place-packed by hand. So packers were often as much as a week behind harvest in getting cherries out of the packinghouses and on their way to market.

During the harvest peak, fruit backed up in the packinghouses, with losses in shelf-life, appearance, and quality. To move it, much had to be packed loosely in containers.

Buyers were reluctant to buy the *loose-packed* cherries. Though less expensive—since they could be packed for about half the cost of putting up the double row-faced pack—the loose-pack was associated with cherries of small size and low quality.

Market gluts resulted. And growers and shippers felt the squeeze of the lower prices and rising costs.

The cherry industry recognized that it couldn't make a "silk purse out of a sow's ear." To establish a good reputation for the loose-packed containers, they realized they would first have to establish strict, enforceable quality and size regulations as needed each season for the cherries going into the 20-pound loose-pack containers, and the other basic containers.

This was a made-to-order situation

for a Federal marketing agreement and order. After developing a marketing order program with assistance from the U.S. Department of Agriculture's Consumer and Marketing Service, the Washington sweet cherry industry voted it in, effective with the 1957 crop.

Today, with particularly strict marketing order regulations, the 20-pound loose-filled container is a premium pack. Becoming aware of its consistently good quality and uniformly sized cherries, buyers have developed confidence in it. Sales have jumped. Distribution has broadened. The number of 20-pound loose containers marketed increased from 67,000—or 8 percent of the total fresh sales—in 1957, to more

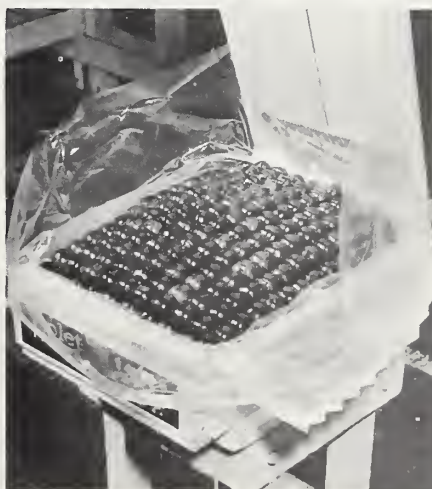
than one million—80 percent of the fresh sales—in 1964.

The change in containers has brought a drastic change in the method of handling cherries. Bulk filling of the 20-pound boxes and the development of a mechanical stem cutter and cherry sizer have permitted almost complete mechanization of cherry packing lines. Mechanization has meant that cherries can be shipped several days fresher than before. Sales of sweet cherries, once confined mainly to auctions, have been made in increasing volume direct to chain stores and wholesalers.

The marketing order has also provided a focal point around which all cherry activities orbit. Packaging research has been carried out under the order. Current crop and pack-out reports made by the marketing order committee—which comprises cherry growers and shippers—are helping sales managers improve their marketing.

The marketing agreement and order program has meant increased returns and a measure of confidence for growers of cherries in Washington State. At the same time, it has meant lower costs for shippers and better quality, less expensive cherries for consumers.

Here's the expensive double row-faced pack.



(Author Dee Smith is Manager of the Washington State Cherry Marketing Order, headquartered in Yakima, Washington. Co-author William C. Knope is Field Representative in Portland, Oregon, for the Fruit and Vegetable Division, C&MS, USDA.)

CONSUMER AND MARKETING BRIEFS

Selected short items on C&MS activities in consumer protection, marketing services, market regulation, and consumer food programs.

HUMANE SLAUGHTER IS "A GOOD WAY TO GO"

A mechanic inadvertently got a first-hand view recently of the effectiveness of federally-approved humane slaughter equipment in a Midwest packing plant.

The plant employee, making a routine check on a carbon dioxide gas chamber used to anesthetize hogs as the first step in the slaughtering process, apparently didn't wait long enough for the gas to disperse before taking a "ride" through the chamber. He said he thought he would be able to hold his breath for the 45-second trip, but he got "an overpowering impulse to breathe."

"The next thing I knew, a fellow pulled me off the sticking conveyor at the end of the chamber (where the hog's jugular vein is cut to bleed the carcass) and told me I had been unconscious," the employee said, in a letter to the Meat Inspection Division of USDA's Consumer and Marketing Service.

Recovery was prompt and uneventful, with no after-effects.

As for the humaneness of the carbon dioxide chamber, the employee said he felt "no sensation of discomfort."

"As a matter of fact, it would be a good way to go," he said.

NORTH CAROLINA PRODUCES MUCH COUNTRY HAM

USDA meat inspection officials say that North Carolina is becoming known as a country ham State. Ten meat packing plants there, operating under the Federal meat inspection service, produce nothing but country cured hams. A number of other plants in the State—also producing country cured hams but not presently under Federal inspection—have indicated their intention to apply for inspection service so that they may sell their hams across State lines.

WHAT THE FEDERAL INSPECTION MARK ON PROCESSED MEAT PRODUCTS MEANS TO CONSUMERS

A food manufacturer wanted to sell a frozen meat loaf in a container in which it could be cooked by the housewife. The Meat Inspection Service required that he submit a listing of the makings of the carton and of the adhesive used for binding the foil to the backing board. With this information, the Inspection Service will evaluate the safety of the product and the proposed cooking method. Only if there is no possibility of risk to the consumer will permission be granted to produce this product under continuous inspection by the U.S. Department of Agriculture, and sell it to the public—with the reassuring round Federal inspection mark on the label.

FOOD STAMPS GO BY AIR

Food stamps had to be flown into Nome, Alaska, for the December 1 opening of the Food Stamp Program there. That was because the next supply boat from the mainland U.S. wouldn't put in at Nome until June of 1966.

MILK MAY COME IN PLASTIC CONTAINERS

Federal milk marketing order administrators report an increasing use of molded plastic milk containers. In most cases, the new containers are being tested—but if their cost is competitive with that of other containers and they are accepted by consumers, their use may become more widespread.

FOOD STAMP CUSTOMER MAKES UP FOR CAKE-LESS BIRTHDAYS

In Pittsburgh, Pa., a Food Stamp Program official, visiting a bakery authorized to accept food stamps, learned that a food stamp customer was purchasing a birthday cake every Saturday. It turned out that the family is compensating for the years of birthdays when they could not afford to purchase a birthday cake.

FOOD STAMPS BROUGHT HAPPIER HOLIDAY MEALS TO THOUSANDS IN 1965

Nearly 800,000 persons across the Nation enjoyed happier holiday meals in 1965—thanks to the U.S. Department of Agriculture's Food Stamp Program.

Many of them live in the 32 new areas in 16 States that entered the food-assistance program in December. Two of the 16 States—Iowa and Alaska—participated for the first time. The program was operating in a total of 191 areas in 36 States and the District of Columbia as of January 1, 1966.

WHAT'S HAPPENING TO THE REINDEER?

The Alaskan Director of Agriculture, Sigmund H. Restad, reports that the annual reindeer harvest on Nunivak Island, Alaska, was completed in October and 2267 reindeer were slaughtered this year. This was done under the Nunivak Development Project, a government program which provides em-

ployment for the villagers of Mekoryuk. Approximately half of the animals slaughtered are processed into boneless meat used for various sausage products—which are being promoted under a matching fund program between Consumer and Marketing Service and the State of Alaska.

PLENTIFUL FOODS FOR FEBRUARY

February, that blustery month which compensates with a wealth of notable events—the beginning of Lent, Washington's and Lincoln's birthdays, and Valentine's Day—brings a colorful array of plentiful foods for the Nation's housewives.

The Consumer and Marketing Service's list of plentiful for February features prunes and prune products and canned red salmon. Other tasty items on the list are red tart cherries, fresh oranges and fresh grapefruit, potatoes and onions. And sweet potatoes are abundant in most areas.

In 1965 California produced 170,000 tons of dried prunes, compared with the 5-year average of only 139,600 tons. In addition, there was a large carryover from the previous crop. The 1965 pack of canned red salmon totaled 2 million standard cases—a very sharp jump from the previous year's pack of 832,000 cases.

Red tart cherry holdings are the second largest of record—about 37 million pounds above average. Production of fresh oranges is forecast at 9% greater than the previous crop and, in fact, would be the largest output since the 1961-62 season. Grapefruit groves are expected to turn out 5 million more boxes than in the previous year. Storage supplies of onions are burdensome, the fall potato crop rang up a new record, and sweet potatoes run 17% above a year earlier.

YIELD GRADES HELP A SMALL PACKER

USDA's yield grades, which were adopted June 1, 1965, are helping a small Kansas packing house solve two of its major problems. The Thies Packing Company at Great Bend uses the new yield grades not only as a pricing tool but also as a solution to the plant's

problems in getting experienced cooler personnel.

Thiel, a small plant, slaughters around 500 cattle a week. Each carcass is graded for quality and cutability by a USDA meat grader.

According to Elmer Daubert, sales manager for the company, the yield grades are proving themselves as effective pricing tools for the plant and its sales territory. He feels that his customers, after five months of using the grades, are satisfied with the system.

The yield grades, 1 to 5, with yield grade 1 denoting the higher yield, were designed to identify differences between high-and-low-yielding carcasses. Yield grades help to predict more accurately the price per pound of the salable meat in a carcass.

In putting the theory of the yield grades to work, Thies Packing Company uses the price of a No. 3 yield grade carcass for its base price. The selling price varies about 1½ cents per yield grade, higher or lower, from the base price established for the No. 3 carcasses. Thies uses this pricing system for both the Good and Choice grades.

For example, if a Choice No. 3 carcass is selling for 42 cents a pound, a Choice No. 2 carcass would be priced at 43½ cents a pound and a Choice No. 5 at 39 cents a pound.

Using yield grading along with quality grading has proved helpful to the company's management. A turnover in personnel was leaving too many inexperienced workers in the cooler for the operation to run smoothly and economically. This inexperienced help was not qualified to select beef for individual accounts.

By identifying the carcasses according to yield grades as well as quality grades, the management is avoiding the expensive mistakes, in carcass selection for particular customers, that inexperienced (quality-wise) cooler personnel can often make. The grades have also made it possible for inexperienced help to take designated primal cuts from the correct carcasses which have been identified for quality and yield.

"Now," Mr. Daubert says, "I am no longer hampered by personnel changes, as all the carcasses in the cooler are rolled for quality grade and stamped for yield grade by the USDA grader. This USDA grader shapes up our cooler for us and at \$7.80 an hour, he is the cheapest, most reliable, and steady man I have found to do this job."

(The use of brand names does not constitute an endorsement by the U.S. Department of Agriculture over other names not mentioned.)

MEAT TIPS

—From meat inspectors
of USDA's Consumer
and Marketing Service.

A label for "Beef Patties for Swissing" was not approved by USDA's Consumer and Marketing Service because the term "Swiss" or "Swissing" refers to a solid piece of meat. The patties in the proposed product were to be composed of chopped meat.

* * *

Names applied to meat products must be in keeping with the American consumer's concept of the product. For instance, USDA refused entry to a German product termed "Bockwurst," because it contained curing substances. "Bockwurst" is known in this country as a sausage-like product that doesn't contain any curing substances. This service by USDA meat inspectors prevents use of established names of traditional products to gain popularity for new but dissimilar products.

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Another example of the thoroughness of Federal meat inspection is the rejection of a gray enamel intended for application to trucks used for transporting commodities within a warehouse. The enamel was rejected because the primer contained zinc chromate, a toxic substance.

* * *

USDA says the term "hamburger" cannot be used for a product containing water or cereal. When a new product labeled "hamburger" was rejected recently because it contained water and cereal, USDA suggested that the label be "Bulk Beef Patty Mix"—and that the name of the product be followed by a list of ingredients pointing out that water and cereal were used in the new product.



Roadside Markets Delight Tourist- Consumer

By Edmund J. Blaine

At the peak of the apple harvesting season same 20,000 persons leave the city and travel up a narrow, winding road to enjoy Oak Glen's freshly picked fruit, picnic areas and scenery.

A visitor sees how apples are pressed into cider at one of the Oak Glen apple ranches.



ROADSIDE MARKETING offers the grower-packer an unusual opportunity today of selling directly to the consumer. This is one of the most common methods of increasing returns to fruit and vegetable growers.

Apple growers in the Oak Glen area of Southern California are having considerable success with this method of marketing. Customers are attracted through an appeal to their desire to get away from the city and the novelty of being able to buy freshly picked, tree-ripened fruit at reasonable prices.

Oak Glen, a small but concentrated apple production area, lies off the major route from Los Angeles to Palm Springs. On weekends—during the peak of the harvest season—some 20,000 visitors travel up a narrow, winding road to buy fruit, to picnic, and to enjoy the scenery. Orchards range in size from one to 150 acres. The only crop grown in the area is apples—predominantly the "Rome" variety. Most of the growers are also packers. Apples are sold at roadside stands or in sales rooms.

Since 1947, the Oak Glen Apple Growers Association—a promotional organization reputed to have 100 percent membership of the area growers—has encouraged newspaper editors to

publicize trips to the area in their motor-log columns. Cooperation also has been solicited from radio and television stations, automobile clubs, and travel agencies. The Association is operating on a modest budget, financed mainly by packers who contribute 1½¢ per box of fruit sold.

Oak Glen apples sell at a wide price range, depending on the grade, size and style of pack. Most are labeled according to variety and grade.

Forty percent of the apples sold fresh are in wooden bushel boxes or cardboard cartons. Another 40 percent are sold in half bushel cartons.

About 60 percent of Oak Glen's marketable crop is moved at roadside stands and sales rooms. Part of the apple crop is pressed into cider by local presses or used by local restaurants. One restaurant turns out a pie a minute and still can't keep up with the demand on weekends.

Roadside marketers have found that a unique feature will help promote a product. Customers remember such things as an old, brightly-painted wagon, home tested recipes, educational exhibits such as live bees, an impressive landmark, or a printed history of the area.

Some of the Oak Glen growers have

used this type of attraction. Visitors, for instance, may view operation of an apple coring machine, may see how apples are pressed into cider, or may be able to watch the packing. Among other items of interest, recipes are made available to the tourist-customers.

Success of roadside marketing in Oak Glen has resulted largely from good industry cooperation. The unified campaign, enlisting help of newspapers and broadcasters, has done much more than a grower could do by himself. Everything is being done to make visitors welcome and their trip enjoyable—at the same time offering them quality fruit at reasonable prices.

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Roadside marketing thru a unified campaign has led to greater returns for these growers.



Recent Changes in MARKET NEWS

THIS IS A FAST and changing age. Any business or service has to make adjustments to function effectively. The Federal-State Market News Service, operated jointly by the U.S. Department of Agriculture's Consumer and Marketing Service and State Departments of Agriculture, constantly analyzes changes in methods of marketing various agricultural commodities. As a result, C&MS sometimes has to change the method of reporting these markets to present a true picture.

During the past year several important changes have occurred. For instance, the market news report on direct sales of cattle in Iowa was started last May. This report covers sales of more than 50,000 head of cattle per week, the highest volume of any market or area reported. It is certainly a responsibility of the market news service to report these sales regularly if it is to furnish authentic and reliable information on cattle marketing.

San Angelo, Texas, is the largest sheep and lamb market in the country. Over a million head of sheep and lambs are sold in the San Angelo area per year.

At the request of producers, auction

market operators, State marketing officials and other interested parties, a new Federal-State Market News Service was established this Fall at San Angelo. It is covered by a Federal market reporter transferred from a terminal market whose volume had sharply decreased in recent years. Meanwhile, the terminal market is covered part-time by a meat grader with market news training.

A most significant change in market news reports in 1965 was the discontinuance of the live-at-farm quotations on broilers in the Southeastern States. These reports were replaced by f.o.b. plant price quotations for ready-to-cook broilers. This decision was made after the Federal-State service obtained more than 350 written comments from the poultry industry during an 18-month national survey of its views.

The problem was that very few broilers are actually sold live any longer at farms in the major States of Alabama, Arkansas, Georgia, Mississippi and North Carolina. The market news prices quoted had largely become "book transfer values" assigned by an integrated processor-grower rather than an

actual live price quotation. The Federal-State Market News Service has always limited itself to reporting actual market transactions. To report actual market transactions, market news must change as the market itself changes.

Another such change, and a considerably important one, has been in the methods of disseminating market news. For instance, in the past 5 years mailing lists have been reduced by over 50 per cent. The large majority of market reports today are being distributed by radio, TV stations and the press. Fewer are sent directly to individuals.

Another trend in market reporting has been to much briefer reports and more frequent releases. Reporters are reducing reports to "capsule" form and brief flashes which are much more usable. This is in recognition of the fact that more and more information is competing for broadcast time, publication space, and public attention.

So market news is continually changing, as it must, to continue to provide the meaningful and useful price and supply information that has been a very important marketing service activity of USDA for the past fifty years.

OFFICIAL BUSINESS

Meeting Meat Preferences for the European Market

By Dr. G. J. B. Murray

JUST AS THE OLD prospectors found "there's gold in them thar hills," American meat packers are discovering there's "gold" across the oceans—in the form of expanding markets for certain kinds of meat products.

For years, many American meat packers considered the export market to be a "last resort," particularly for those products in little demand here in the United States.

However, as a result of the intensive effort by the U.S. Department of Agriculture and the American meat industry to find new markets for U.S.-produced meat some of these same packers are discovering they can increase their sales in various countries if they meet the preferences of such countries.

Take England for example. In recent years it has been importing large amounts of variety meats—the edible meat by-products such as beef tails, kidneys, livers, and hearts—from the United States. In fact, England now gets 20 percent of its variety meat imports from this country.

But, British importers say they would import even more at favorable prices if American meat packers would only meet the British preferences.

Meeting these preferences is not difficult. Naturally, all meat going into foreign trade must be inspected and passed for wholesomeness and truthful labeling by USDA's Consumer and Marketing Service. In addition to

this mandatory inspection, C&MS meat inspectors provide a voluntary Certification Service on a fee basis to certify that meat products meet any foreign specifications.

At a recent seminar on variety meats in London, British importers offered several suggestions which would help American packers capture more of this profitable market. While pointing out that a steady flow of products is desired in the United Kingdom, importers emphasized that erratic supplies and the shipping of poorly-packaged U.S. products is not acceptable.

Another major concern is consistent high quality—the British trade will pay good prices only for good quality, even though some of its "quality" factors have no parallel in this country. For example, yellow fat is totally unacceptable in the United Kingdom, as are light or dark color variations in livers.

Other British preferences which American exporters must meet cover:

- Brands on beef tails. British importers, manufacturers and retailers prefer that tails not be branded. C&MS meat inspection officials point out that domestic branding requirements for tails may be waived for export products upon request.

- Opening and incising of beef hearts. British consumers will purchase hearts only if they are suitable for stuffing. Federal meat inspectors can and will inspect beef hearts that have had the top cut off and are turned inside out for

inspection to meet this preference—rather than splitting open the entire heart as is presently done. Again, this must be requested in advance by the packer.

- Objectional odors in beef kidneys. USDA recently amended meat inspection procedures to require that all kidneys be exposed for post-mortem inspection, which could solve the odor problem in exported products.

- Excessive water in products. C&MS officials believe this is caused by chilling products in water or ice, and improperly draining them before packaging.

British variety meat buyers also made a strong plea for containers that withstand rough handling, the use of polyethylene liners, packaging that doesn't require staples or wire bands, conveniently-sized packages, trimming meats to remove all excess fat, rapid cooling or freezing to preserve freshness, and handling that minimizes nicks or cuts.

Meeting these preferences can open the door to growing markets in foreign countries, and mean more dollars for American meat packers. C&MS meat inspectors can help the packer tailor his operations to fit this market. This "gold" is there, but—just like the old prospector—the meat packer must take the initiative to tap it.

(Dr. Murray is Staff Officer, Procedures and Requirements Staff, Meat Inspection Division, C&MS, USDA.)